## **COLORADO DIRECT PAY PERMIT APPLICATION**

2	1. REASON FOR FILING THIS APPLICATION							
TIOI	☐ Original Application ☐ Renewal							
GENERAL INFORMATION	2. INDICATE TYPE OF ORGANIZATION  Individual					DO	NOT WRITE IN THIS SPACE	
	Taxpayer Name (owner, partners or corporate name) (last,	first, middle)	Permit	#	Period	i	0085-750 (999) 0.00	
	2a. Trade Name/Doing Business As (if applicable)  2b. Federal Employer Identification Number (FEIN)							
	3a. Street Address of Principal Place of Business in Colorado	City				State	ZIP	
ATION	3b. County	If business i	is within I	imits of a city, v	vhat city?	Telephone ( )		
FORM,	4a. In Care Of (c/o)	4b. Mailing Address (if different from above) (			above) (	(include unit #)		
ORGANIZATION INFORMATION	City	State	ZI	Р		Telephone (		
<b>IIZATI</b>	5. What products and/or services do you provide?							
RGA	6a. Owner/Partner/Corp. Officer	Title	Se	ocial Security #		Federal Emplo	yer Identification Number (FEIN)	
	6b. Address (residence or P.O. Box, street, city, state, ZIP)					Telephone ( )		
	7a. Owner/Partner/Corp. Officer	Title	Se	ocial Security #		Federal Emplo	yer Identification Number (FEIN)	
	7b. Address (residence or P.O. Box, street, city, state, ZIP)		'			Telephone (		
	8. Enter the aggregate amount of Colorado purchases, which of Title 39 C.R.S. \$	n were made	in the pre	evious 12 montl	hs, subjec	ct to the tax imp	posed by Article 26	
SEE REVERSE SIDE FOR INFORMATION REGARDING DIRECT PAYMENT OF SALES TAXES								
SEE REVERSE SIDE FOR REQUIREMENT TO QUALIFY FOR DIRECT PAYMENT OF SALES TAXES								
SIGNATURE AND DECLARATION: An authorized employee, officer, partner, member or owner of the taxpayer identified above must sign and return this form. Attach any appropriate power of attorney statement.  I understand and agree to the terms of this statement. I understand this agreement incorporates any statements made in the application and attachments which limit the areas of use of this direct pay permit. I certify that the accounting system and procedures in place will adequately identify, individually report and remit all state, district and local sales taxes owed.								
By Title								
						Title		
Ту	ped Name						Date	
Basis of Authority to Sign								
Mail To: COLORADO DEPARTMENT OF REVENUE DENVER, COLORADO 80261								
OI	OFFICE USE ONLY							
	Approved by Date							

## INFORMATION REGARDING DIRECT PAYMENT OF SALES TAXES

The direct pay permit allows the holder to claim purchase point exemption from payment of Department administered sales taxes from the vendor. See form DR-1002 (available on the internet **www.revenue.state.co.us**). All taxes avoided at the point of purchase must be remitted within twenty days of the close of the accounting period of the purchase, using a direct pay sales tax return on the direct pay account number assigned.

The direct pay permit issued by the Colorado Department of Revenue does not apply to sales taxes of any self collected Colorado home rule municipality. Contact those municipal governments directly for their rules and requirements. The direct pay permit is not applicable to short term rental and local lodging taxes.

## REQUIREMENT TO QUALIFY FOR DIRECT PAYMENT OF SALES TAXES

Applicant, for the preceding 12 month period must have purchased at least \$7,000,000 of goods which would be subject to Colorado Sales or Use taxes, excluding purchases of resale inventory and commodities or tangible personal property to be erected upon or affixed to real property. [C.R.S. 39-26-103.5(a)]

For the past three years, or for the time in business in Colorado if less, applicant must have timely reported and remitted all taxes fees as required under Colorado tax statutes (C.R.S. title 39: sales, use, income, withholding, etc.).

Applicant has in place an accounting system that will enable the remittance and proper individual reporting of state, municipal, county or other local entity sales taxes the Department of Revenue collects. [C.R.S. 39-26-10(c)]

You must attach a brief explanation of how your accounting system will comply with and meet these state **and local** tax identification and remittance requirements. Explain any provisions you will make to limit the use of the direct pay permit to certain facilities or divisions and list the facilities and their locations. Explain how vendors who supply other facilities or divisions will be informed of limitations you apply to use of the direct pay permit, and how you will audit the vendors compliance to avoid municipal or county sales tax underpayment.

Permit holders must remit direct pay taxes for any local sales tax administered by the Department, if the seller should have collected the local tax on the sale, or would have collected the local tax except for the presentation of the direct pay permit. Holders are liable for the tax avoided, even through unapproved actions of their employees and suppliers. Where a valid local sales tax is avoided by a direct pay permit holder, the local tax must be remitted as direct pay sales tax [C.R.S. §§29-2-106(3)(c)(II)]. Unpaid local sales taxes must be individually identified by local entity and amount per local entity on the spread sheet return. [C.R.S. §§39-26-103.5(I)(c) and related provisions, HB99-1005.] Timely payment of the tax is not a substitute for filing a timely detailed spreadsheet return reporting the local distribution of the tax remitted. Failure to inform the Department of the correct distribution of state and local tax dollars through the required spreadsheet return will be grounds for revocation of the permit and imposition of penalties and vendors fee denial.

Permit holders may only claim vendors allowances on direct pay sales tax remitted and reported timely on the appropriate direct pay sales tax return format. No taxpayer may report normal consumers use tax as direct pay sales tax and thereby claim a vendors fee on use tax remittance. Tax shall be deemed consumers use tax if:

- before direct pay permission was granted, the taxpayer had properly avoided sales tax on purchases from a particular vendor due to another exemption, OR
- (2) it was not necessary for the taxpayer to present the direct pay permit or number to avoid sales tax charged by the vendor, OR
- (3) the vendor is not licensed to collect Colorado sales tax.

## STEPS NECESSARY TO COMPLY WITH REMITTANCE REQUIREMENTS:

Permit holders must file direct pay state, city, county or district sales taxes in the manner and as frequently as specified by the Department, subject to periodic updates. Initial requirement will be for monthly returns on a computer spreadsheet (paper) return, based on an outline supplied by the Department. This direct payment of sales tax permit status may be canceled or revoked at any time based on any delinquency of complete return information. Delinquent returns, payments or returns which provide incomplete information for any direct pay sales tax may be assessed penalties, interest or denial of vendors fee by the Department. Any underpayments are subject to discovery on audit, assessment and collection.